

HAV GROUP ASA

FOURTH QUARTER 2021

PRESENTERS:

GUNNAR LARSEN, CEO
PÅL AURVÅG, CFO



A SUSTAINABLE FUTURE AT SEA

AGENDA

- Q4 highlights
- HAV Group ASA in brief
- Subsidiaries and market opportunity
- Financials
- Market outlook
- Q&A

Q4 HIGHLIGHTS



Q4 HIGHLIGHTS

KEY DEVELOPMENTS Q4 21

Norwegian Electric Systems

- New contracts in retrofit-market with new customers.

HAV Group

- Started repurchase-program of own shares. (1.78% per end of February)
- Dividend in Havyard Group ASA reduced Havyard's ownership in HAV to 33.3% and numbers of investors increased from 1 168 to 4 560.

MILESTONES SO FAR IN 2022

- USCG approval for Norwegian Greentech's BWMS
- Norwegian Electric Systems signs its largest contract ever – approx. NOK 100 million

REVENUES
NOK 224 million (143)

EXTERNAL BACKLOG
NOK >380 million

EBIT
NOK 25 million (-12)

NUMBER OF SHAREHOLDERS
4 560

CASH FROM OPERATIONS
NOK 214 million (10)

MARKET CAP AS OF 09 MAR
NOK 564 million

CASH BALANCE
NOK 376 million (34)

HAV GROUP ASA IN BRIEF



HAV Group ASA

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International provider of
technology and services for
maritime industries



Vision:
A sustainable future at sea



Established in 2021



Comprises four subsidiaries with
several decades of combined
industry experience



Special expertise in guiding the
marine and maritime industries
towards zero emissions

HAV GROUP VALUE CREATION

Actively taking part in the companies' strategic development

Stimulating intercompany business development and R&D processes

Extracting synergies through economies of scale, standardization of processes and systems

Pursuing value accretive growth, organic and through consolidation

Provider of ocean technologies with focus on ship design, equipment and system solutions

Four subsidiaries with a leading position within its segments

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The logo for HAV design, featuring the letters 'HAV' in a bold, italicized font followed by the word 'design' in a smaller, lowercase font.

A supplier of innovative ship design – HAV Design is a pioneer in the design and construction of zero-emission vessels

The logo for norwegian greentech, featuring a stylized green 'n' icon followed by the words 'norwegian greentech' in lowercase.

A supplier of ballast water treatment systems and various other water treatment systems for aquaculture and maritime use

The logo for norwegian electric systems, featuring a stylized blue 'n' icon followed by the words 'norwegian electric systems' in lowercase.

A supplier of sustainable energy design and smart control systems for a wide range of vessels for the global maritime market

The logo for HAV hydrogen, featuring the letters 'HAV' in a bold, italicized font followed by the word 'hydrogen' in a smaller, lowercase font.

A developer of hydrogen energy systems for ships

EXPERIENCED MANAGEMENT TEAM

Executive management



Gunnar Larsen
CEO, HAV Group

34 years of industry experience
13 years with HAV



Pål Aurvåg
CFO, HAV Group

16 years of industry experience
6 years with HAV



Frank-Levi Kvalsund
Senior VP HR/QHSE, HAV Group

22 years of industry experience
10 years with HAV



Marius Koksvik
VP Business Developer, HAV Group

7 years of industry experience
Started in 2021 with HAV



Stig Magne Espeseth
Managing Director, HAV Design

32 years of industry experience
16 years with HAV Design



Kristian Osnes
Managing Director, HAV Hydrogen

10 years of industry experience
3 years with HAV



Håvard Gjelseth
Managing Director, Norwegian Greentech

25 years of industry experience
10 years with NGT



Geir Larsen
Managing Director, Norwegian Electric Systems

29 years of industry experience
1 year with NES

BOARD OF DIRECTORS

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VEGARD SÆVIK
Chairman

TORE HOPEN
Director

HEGE SÆVIK RABBEN
Director

VIBEKE FÆNGSRUD
Director

HELGE A. SIMONNES
Director

KJETIL YOO RIPE
Director

ANITA FJØRTOFT
Director

SUBSIDIARIES AND MARKET OPPORTUNITY



HAVdesign

SIMULATION BASED SHIP DESIGN

- Through a digital tool-kit, knowledge and innovation HAV Design offers environmentally friendly, safe and functional designs
- Sold designs for >120 vessels globally
- Designed 18 zero emission vessel designs and 10 vessels designs for renewable energy
- Leading positions within offshore wind, electric ferries and aquaculture
- Recent projects include Windmill SOV's for ESVAGT, CSV for REM Offshore, electric ferries for Fjord1, hybrid-electric hydrogen ready cruise vessels for Havila Kystruten and live fish carriers for Frøy

SEGMENT INFORMATION

NOKm	Q4 2021	Q4 2020	YTD 2021	YTD 2020
Operating income	111.3	28.8	627.1	248.3
EBIT	14.9	-40.6	80.8	-1.7
Profit before tax	14.6	-27.0	84.7	-3.3

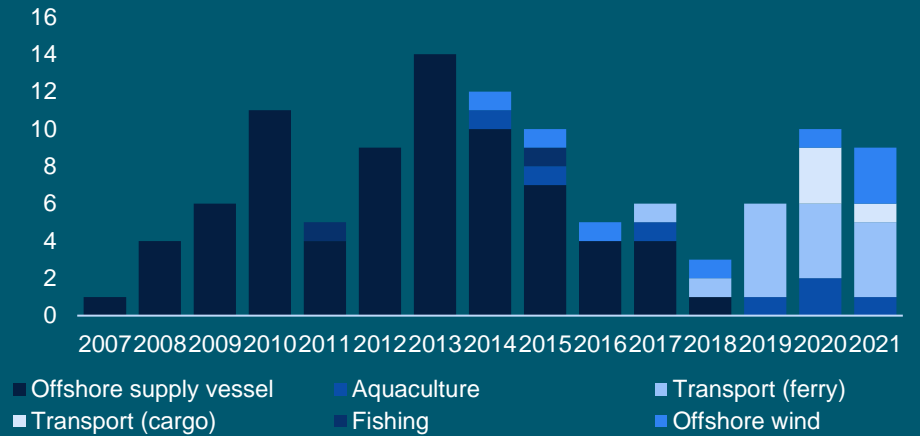


HAVdesign

POSITIONED FOR FURTHER GROWTH

- Developed its unique design philosophy and design process through years of experience, R&D investments and collaboration with leading ship owners
- Proprietary methods for configuration, simulation and model testing
- Enabling strong ability to predict and document real life performance of the vessel
- Established position within growth segments
- Well-positioned for the further development within low and zero emission vessels within several segments

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Stopford -Three Maritime Scenarios 2020-2050

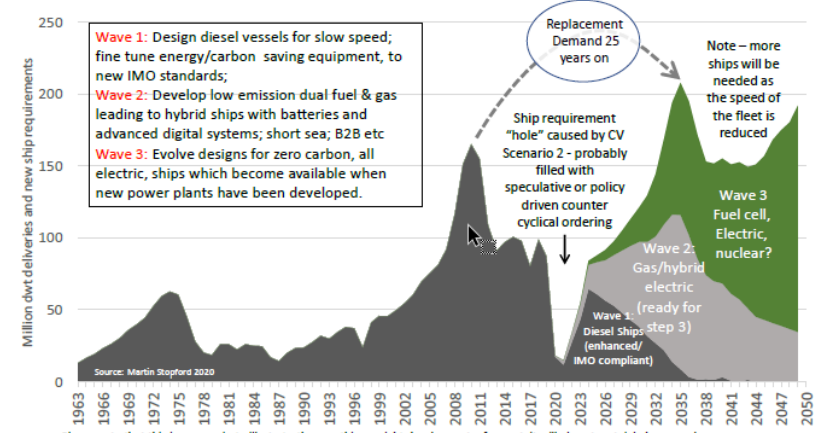


Figure 4: Technology scenario 2 to reach IMO 2050 CO2 target (based on trade scenario2 and shipbuilding scenario 2)



CLEAN WATER EXPERTS

- Norwegian Greentech (NGT) was established in 2010 and designs, delivers, installs and services highly energy-efficient compact ballast water treatment systems (BWTS)
- The in-house developed BWTS is particularly suited for retrofits due to its small size and flexible installation
- NGT has already secured fleet agreements, for delivery of BWMS, with several major ship owners
- Typical revenue potential of NOK 0.5 – 2 million per vessel
- Large potential for after marked revenue due to increasing number and age of installed units
- NGT also deliver water treatment solutions for land-based aquaculture (control system, particle filters and UV-sterilization)

SEGMENT INFORMATION

NOKm	Q4 2021	Q4 2020	YTD 2021	YTD 2020
Operating income	45.7	15.2	167.5	75.1
EBIT	3.6	5.3	14.4	8.6
Profit before tax	3.5	4.9	11.9	8.1



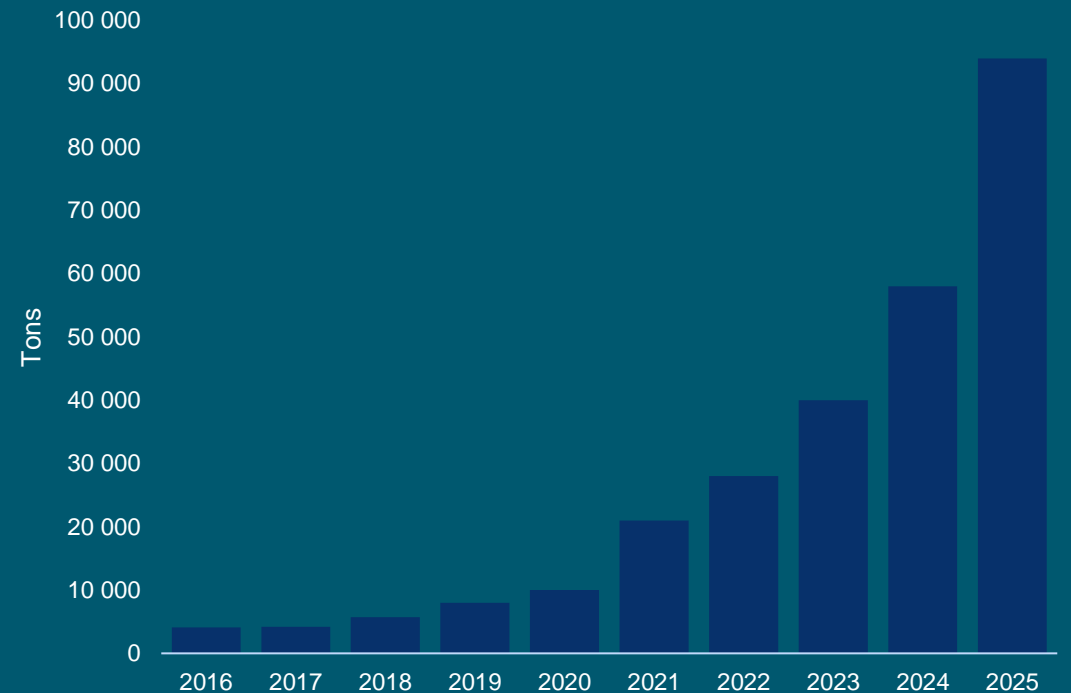


WATER CLEANING TECHNOLOGY TO BE APPLIED OVER A RANGE OF INDUSTRIES

HIGH DEMAND FOR LAND-BASED SALMON

- NGT has supplied water treatment solutions for more than 10 aquaculture projects
- Land-based salmon is set for stellar growth
 - About 100.000 annual tons of land-based volumes expected by 2025
 - Potentially multiplying by 3x-7x by 2030
- Water treatment system is an essential part of land-based fish farming facilities
- NGT is positioned to take part in the massive expected growth in land-based fish farming
- NGT's technology is also applicable for the growing demand for treatment of public drinking water and wastewater facilities

LAND-BASED FISH FARMING EXPECTED TO GROW 10X BY 2025





GREEN INNOVATION FOR THE OCEANS

- Norwegian Electric Systems (NES) is a leading supplier of low/zero emission energy, propulsion and control systems for a wide range of vessels
- Designing optimal propulsion, energy and control systems to ensure efficiency and safety by smart and easy operation
- The preferred supplier of product and system solutions “from bridge to propeller”
- A leading supplier of maritime technology for digitalization and ‘the green shift’

SEGMENT INFORMATION

NOKm	Q4 2021	Q4 2020	YTD 2021	YTD 2020
Operating income	73.5	19.3	226.8	319.9
EBIT	6.4	11.0	2.4	24.0
Profit before tax	4.8	14.2	0.9	14.8



+ 100

Zero and low emission projects



+100 MWh
of installed batteries



3 Key drivers
Safety - Efficiency - Environment



THE ONE-STOP SHOP TO MEET FUTURE IMO TARGETS

- NES' fully integrated solutions enabling customers to meet greenhouse gas emission targets
- Emission reduction by **energy optimizing** and **digitization**



MARINE SYSTEM INTEGRATION

Integration of different energy sources like diesel or gas generator-sets, batteries and hydrogen fuel-cells.

HYBRID AND ELECTRIC PROPULSION SYSTEMS

Required engineering, project management, commissioning and seatrails assistance.

COMPLETE CHARGING SYSTEMS

The system includes both off and onshore equipment, automation system and Wi-Fi communication between the vessel and the charging station on land.

SHIP PERFORMANCE MONITOR (SPM)

Highly adaptable monitoring software, designed to help manage and improve the ship and fleet efficiencies.

SMART CONTROL SYSTEMS

Integrated Automation System (IAS), Power Management System (PMS), Black Out Safety System (B.O.S.S) and Remote Assistance System (RAS) enhance the total integration in a safe and optimal way.

THE RAVEN INTEGRATED NAVIGATION SYSTEM (INS)

Flexible, safe and user-friendly interface for vessel control and platform for integration of autonomous functionality.

HYVhydrogen

DEVELOPING RAPIDLY TO MEET THE EMERGING HYDROGEN MARKET

APPROVAL

The approval process for the H₂-system developed for the FreeCo2ast project will be used as a base case for further approval work.

The documentation package has been submitted to Flag and Class Administration for preliminary approval.

PRODUCT DEVELOPMENT

The first complete integrated fuel cell system modules are developed and quoted to clients.

Development of a complete product range and refinement is ongoing before a product launch later this year.

ORGANIZATIONAL DEVELOPMENT

Novel technology development requires thriving knowledge organizations.

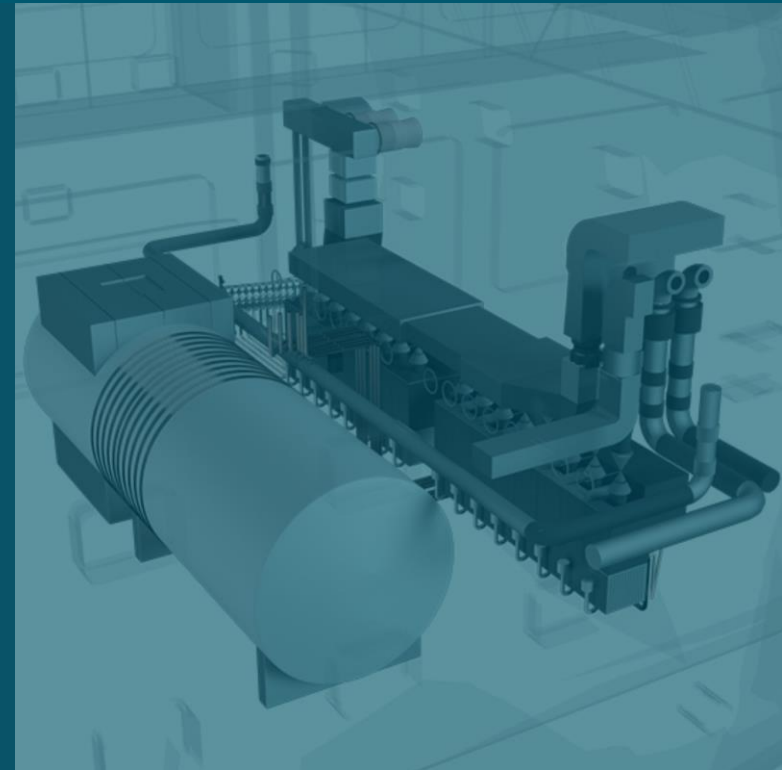
HHY is expanding the organization gaining more expertise and will continue the successful cooperation with research institutions and the other competence hubs within the group.

HAVhydrogen

THE WORLD NEEDS SIGNIFICANT EMISSION REDUCTION

HAV HYDROGEN IN POLE POSITION TO TAKE PART IN UPCOMING HYDROGEN PROJECTS:

- We offer risk reduction through significant R&D experience, approval expertise and turnkey system solutions
- Established partnerships with industry majors
- We have efficient processes for reusing design and approval documentation, offensive R&D strategy and work systematically with sourcing
- The government aiming to facilitate emission free solutions along the Norwegian coast
- EU Green deal initiatives will stimulate zero emission demand



FINANCIALS



KEY FINANCIALS (UNAUDITED)

NOKm	Q4 2021	Q4 2020	YTD 2021	YTD 2020
Operating income	224	143	917	643
EBITDA	31	-7	110	48
EBIT	25	-12	92	31
Net finance	-3	18	-3	-11
Net profit	23	6	89	20
<i>EBIT margin</i>	<i>11 %</i>	<i>-8 %</i>	<i>10 %</i>	<i>5 %</i>

Comments

- Operating income in Q4 is high due to major trading deliveries. Margin 11% in Q4 in line with average 2021 figures.

Q4 2021 BALANCE SHEET

NOKm	Q4 2021	Q4 2020
	unaudited	unaudited
Assets		
Non-current assets		
Total intangible assets	85.4	89.1
Fixed assets		
Total tangible fixed assets	3.4	2.5
Financial fixed assets	0.1	0.2
Total fixed assets	88.9	91.8
Current assets		
Total receivables	126.4	537.0
Cash and bank deposit	375.9	34.0
Total current assets	502.3	573.5
Total assets	591.2	665.4

NOKm	Q4 2021	Q4 2020
	unaudited	unaudited
Equity and liabilities		
Equity		
Total equity	164.8	45.7
Liabilities		
Total provision for liabilities	0	0
Total long term liabilities	66.6	28.7
Total current liabilities	359.8	590.8
Total liabilities	426.4	619.6
Total equity and liabilities	591.2	665.4

Comments

- Total Assets and liabilities reduced due to extensive deliveries/finalization of projects.
- Cash increased by NOKm 342 compared to YTD 2020
- Equity increased by NOKm 119
 - Capital issue
 - Profit

CASH FLOW STATEMENT

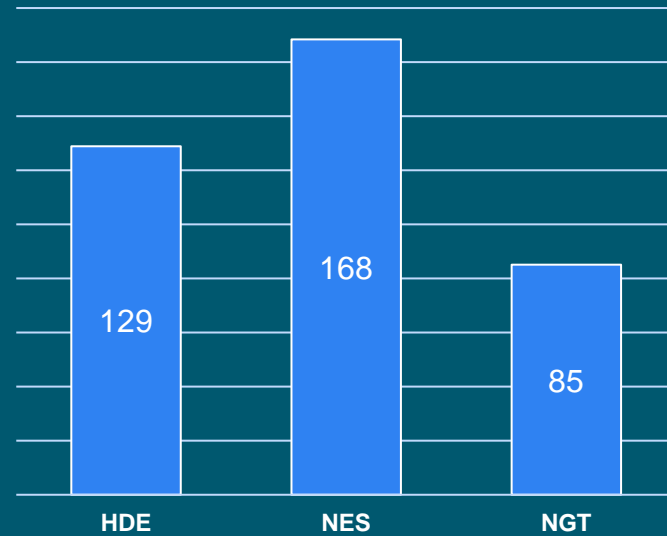
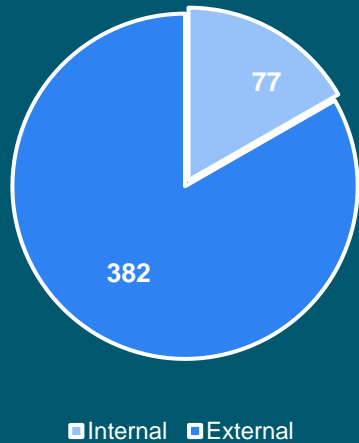
NOKm	Q4 2021	Q4 2020
	unaudited	unaudited
Cash flow from operations		
Net cash flow from/to operating activities	214.2	17.5
Cash flow from investments		
Net cash flow used in investments activities	-12.6	-38.3
Cash flow from financing activities		
Net cash flow used in financing activities	140.2	-2.3
Net change in cash and cash equivalents	341.9	-23.1
Cash and Cash equiv. recognized in the balance sheet	375.6	34.0

Comments

- Positive Cash from operations
 - Profit – NOKm 89
 - Net increase in receivables NOKm 123
- Negative Cash from investments
 - Activated cost related to R&D
- Positive Cash from Financing
 - Capital increase – NOKm 90
 - Long term debt NOKm 55 -> both part of HAV Group spin-off
 - Installments & interest payment NOKm 12.0

EXTERNAL BACKLOG OF NOKM 382

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Comments

- Order backlog

The external order back-log is NOK 382 million as of the end of 2021, a decrease from 542 in Q3. Reduced order backlog in all segment during fourth quarter of 2021.

New significant order was signed by Norwegian Electric Systems in February 2022, and Norwegian Greentech backlog is increasing in 2022. The "fleet-agreements" signed by different ship-owners are not included in the official backlog figures.

MARKET OUTLOOK



SUMMARY, OUTLOOK AND PRIORITIES

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<p>STRONG FUNDAMENTALS FOR MARITIME CLEANTECH</p>	<ul style="list-style-type: none"> • The maritime and marine industries are subject to tremendous regulatory, economic and public opinion pressure to reduce the environmental impacts of its operations • HAV Group is a diversified maritime technology company renowned for innovative solutions to these industries since 2005
<p>ESTABLISHED COMPANIES WITH LEADING OFFERING</p>	<ul style="list-style-type: none"> • World leading supplier of low/zero emission energy, propulsion and control systems • Pioneering innovations in design and construction of zero-emission vessels and energy optimized ship designs • Supplier of highly energy-efficient, compact water cleaning systems in collaboration with technological leaders
<p>PROFITABLE OPERATIONS AND ROBUST BALANCE SHEET</p>	<ul style="list-style-type: none"> • YTD 2021 EBIT of NOK 92 million • External backlog of approximately NOK 382 million • Revenues in 2021 NOK 917 million • Robust balance sheet and a cash balance at NOK 375 million
<p>POSITIONED FOR GROWTH AND CONSOLIDATION</p>	<ul style="list-style-type: none"> • Active owner and developer of innovative companies, leveraging competence and network to develop new solutions for saving energy and reducing environmental footprint from customers' operations, including hydrogen energy systems for long distance vessels • Substantial organic and inorganic growth opportunities

HAV GROUP POSITIONED TO CAPTURE DEMAND GROWTH FOR INNOVATIVE SOLUTIONS FOR MARITIME INDUSTRIES

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Q&A

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